

State of Alaska FY2008 Governor's Operating Budget

Department of Environmental Conservation Contaminated Sites Program Component Budget Summary

Component: Contaminated Sites Program

Contribution to Department's Mission

Protect public health and the environment by identifying, overseeing and conducting the cleanup, redevelopment, and management of contaminated sites in Alaska.

Core Services

Identify, assess, rank, prioritize, and track all contaminated sites in Alaska.

- Oversee the cleanup and long term monitoring of contaminated sites in Alaska.
- Conduct cleanups of highest-priority state-owned, privately owned, and orphan sites using a risk based approach.
- Manage cleanup and provide regulatory oversight for military, federal agency, private party and State owned contaminated sites.
- Provide regulatory oversight, technical assistance, and policy development to Department of Defense and Federal Civilian Agencies on environmental cleanup activities.
- Negotiate with responsible parties, private or federal, for funding agreements to provide effective cleanup of contaminated sites.
- Manage conditionally closed contaminated sites to ensure risk is appropriately controlled over time.
- Provide technical assistance to responsible parties of contaminated sites.
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End Results	Strategies to Achieve Results
A: Risk from contamination at historical contaminated sites is reduced. <u>Target #1:</u> 10% increase from the previous year in the number of historical contaminated sites remediated. <u>Measure #1:</u> % increase from the previous year in the number of historical contaminated sites remediated.	A1: Reduce historical contamination. <u>Target #1:</u> Remediation of historical contamination. <u>Measure #1:</u> % of existing contaminated sites closed or conditionally closed.

Major Activities to Advance Strategies
Provide regulatory oversight and management of contaminated sites to facilitate closures. • Conduct cleanups of state owned and orphan sites. • Manage long term monitoring of conditionally closed sites to limit risk to public health and the environment. •

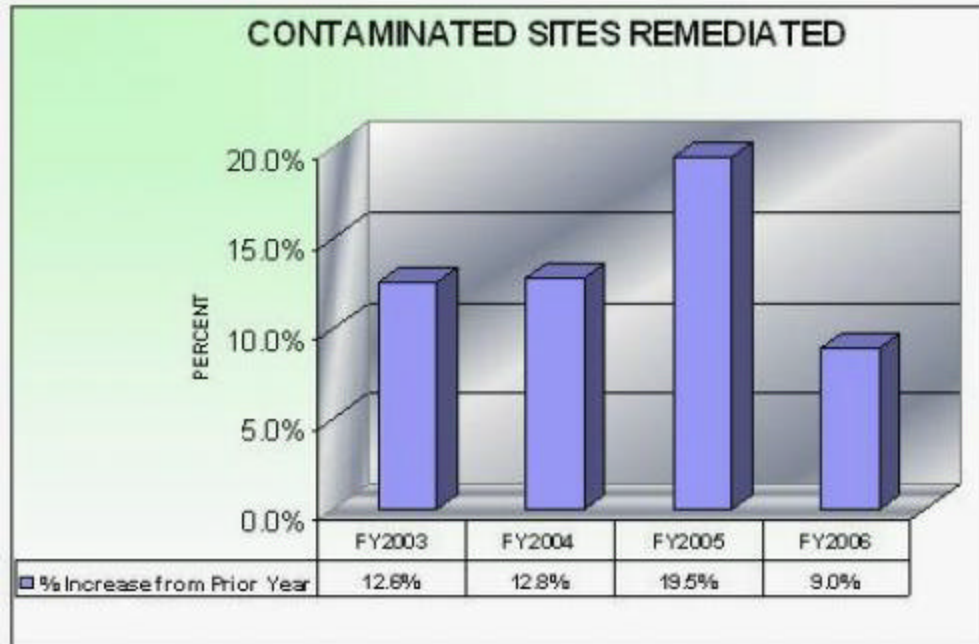
FY2008 Resources Allocated to Achieve Results		
FY2008 Component Budget: \$7,147,500	Personnel:	
	Full time	65
	Part time	0
	Total	65

Performance Measure Detail

A: Result - Risk from contamination at historical contaminated sites is reduced.

Target #1: 10% increase from the previous year in the number of historical contaminated sites remediated.

Measure #1: % increase from the previous year in the number of historical contaminated sites remediated.



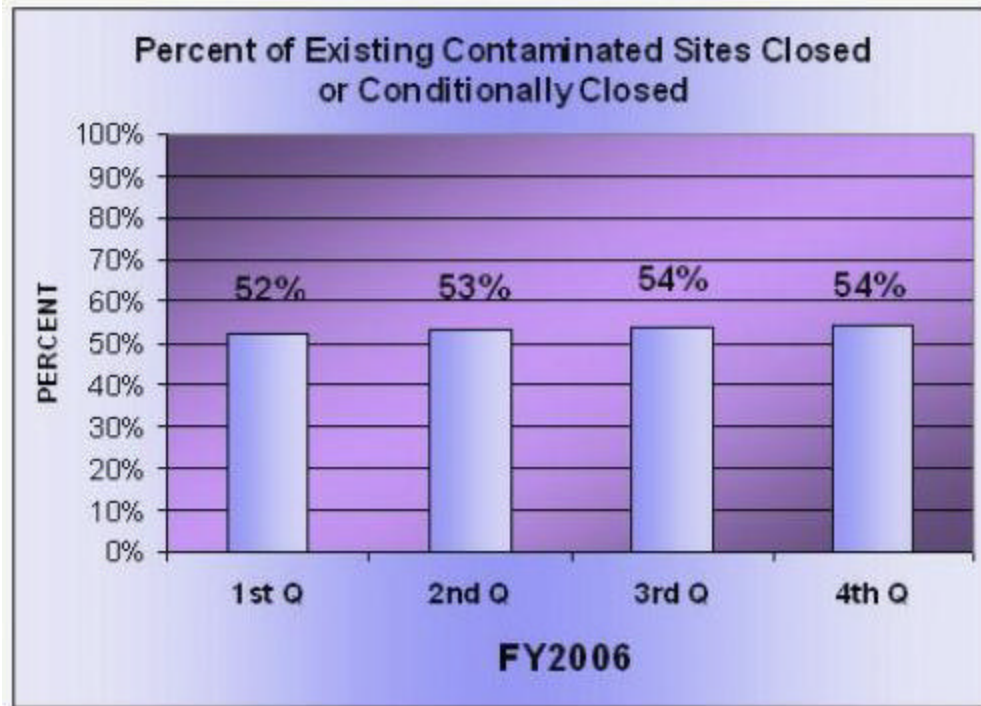
Analysis of results and challenges: Alaska has many sites that have been contaminated with oil or hazardous substances. Most of the contamination is historic, much of it occurring before the risks to the environment and human health were known, and additional historic contaminated sites are discovered almost daily. Severely contaminated sites may also have adverse economic and social impacts in terms of cleanup costs, or limitations on land use or land sales or transfers.

2006 performance data shows that our 10% increase goal was not met. In 2005, the goal was exceeded by a significant amount due to the completion of cleanup at the former Adak Naval Air Station, which was comprised of 170 individual sites. That huge increase in closures was a one-time impact. But in addition to the anomaly in closures in 2005, the Contaminated Sites program has also seen a change in our cleanup strategy to focus short term resources at sites with a higher level risk to human health and the environment. When performing cleanups, we now focus on removing risk rather than reaching closure. Once risk is reduced at a site to a point where human health is not impacted, resources are then directed toward other sites where risk is still a factor – even though the first site has not been closed. Due to this change in our strategy, Contaminated Sites is implementing a new measurement tool to allow tracking of risk reduction, in addition to closures. This new tool will be available to track data for a new 2008 performance measure targeting risk reduction.

A1: Strategy - Reduce historical contamination.

Target #1: Remediation of historical contamination.

Measure #1: % of existing contaminated sites closed or conditionally closed.



Analysis of results and challenges: Alaska has many sites that have been contaminated with oil or hazardous substances. Additional sites are discovered almost daily. Most of the contamination is historic, much of it occurring before the risks to the environment and human health were known. Severely contaminated sites may also have adverse economic and social impacts in terms of cleanup costs, or limitations on land use or land sales or transfers.

It is important that historic contaminated sites are found and reported, so that appropriate steps can be taken to protect the public. However, as the data shows, for every site that is cleaned or cleaned to a point that allows a conditional closure, nearly as many contaminated sites are discovered each year, making it a challenge to show progress toward reducing the number of contaminated sites in the state.

Our goal is to be able to continue remediating sites at a rate that maintains the relative percentage of total sites remediated the previous year. Results will continue to fluctuate depending on the number of new historic sites discovered as well as the amount of work necessary to reduce the risk at those and already existing sites.

Key Component Challenges

Revise existing regulations to incorporate technical advances and integrate cleanup regulations for leaking underground storage tanks.

Implement two new tools to improve site assessment and long-term management. The Exposure Tracking Model is a new ranking tool for site assessment and risk management. In 2008, all of the open contaminated sites will be re-ranked using the new tool and workloads will be reallocated as necessary based on the results of the ranking. The Institutional Controls Tracking tool will be used to more effectively manage sites that have been conditionally closed with contamination left in place. Sites will be tracked to ensure that long-term monitoring and other controls or conditions placed on the site are met.

Significant Changes in Results to be Delivered in FY2008

None.

Major Component Accomplishments in 2006

Performed regulatory oversight, assessment, clean up, monitoring or closure activities at 2,400 contaminated sites throughout the state, including state owned sites and privately owned sites.

Performed regulatory oversight for assessment, cleanup, monitoring or closure activities at over 1,000 Federal military or civilian agency sites.

Reduced risk to human health and the environment by cleaning up contaminated sites and closing or issuing conditional closure letters for 280 historical sites.

Facilitated successful reuse of 15 contaminated sites to accommodate development of major retail stores, small businesses, and other types of commercial activity on land previously unusable for such purposes. These projects include development of the DeBarr Wal-Mart in Anchorage, continued development of the Bentley Trust property and Chena Bend project in Fairbanks, the Juneau High School athletic field and the Millennium square development in Kenai.

Performed initial site review and risk evaluation for 170 newly discovered contaminated historical sites.

Developed a new prospective purchaser process to encourage more property transfers and reuse of contaminated sites and executed agreements for the Miller Property in Anchorage; Gaffney Road Property in Fairbanks and the M&M Property in Anchorage.

Investigated and cleaned up 23 abandoned contaminated sites on the North Slope including removal of 3,516 drum caches.

Completed a partial inventory of Federal sites where eroding solid waste landfills threaten Alaskan waters.

Assessed contaminant source areas and defined potential impacts to Ship Creek and Knik Arm as part of the Alaska Railroad/EPA Anchorage Terminal areawide assessment project.

Finalized and implemented agreements with Bureau of Land Management and National Park Service to address cost recovery for state oversight and planning/coordination for cleanup activities.

Improved cleanup rate at Federal Aviation Administration (FAA) contaminated sites for 44 large, complex regional and local facilities throughout Alaska and many small remote facilities.

Developed and drafted a national guidance in conjunction with the Environmental Protection Agency, Department of Defense and State of Illinois for use at military munitions sites undergoing site investigation and cleanup actions that establishes a consistent national framework to evaluate the hazards posed by unexploded ordinance and abandoned military munitions, including over 200 sites in Alaska.

Developed the "Exposure Tracking Model" computer application to be used to prioritize contaminated sites based on their risk to human health and the environment.

Developed management agreement with the Alaska Department of Transportation & Public Facilities to allow rural airport facilities to treat or reuse contaminated soil, resulting in substantial cost savings to the state.

Facilitated insurance settlements by providing technical research and support to recover costs expended in investigation and cleanup of contaminated sites through negotiations by the Attorney General's office, including insurance settlements (or proposed agreements) with: Sterling ZipMart; Cooks Tesoro; M&M Recycle and Lazy Mountain Trailer Court.

Completed a five year review of the Record of Decision for the River Terrace contaminated site for treatment of chlorinated compounds.

Developed a computer application to store detailed information related to land and activity use controls (institutional controls) at sites where contamination remains above the most restrictive regulatory levels.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, 18 AAC 75, 18 AAC 78.

Contact Information
<p>Contact: Steve Bainbridge, Program Manager Phone: (907) 451-2182 Fax: (907) 451-2155 E-mail: steve_bainbridge@dec.state.ak.us</p>

Contaminated Sites Program Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,585.4	5,107.1	5,813.7
72000 Travel	226.4	278.1	278.1
73000 Services	847.0	1,000.9	1,000.9
74000 Commodities	67.9	48.8	48.8
75000 Capital Outlay	0.0	6.0	6.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,726.7	6,440.9	7,147.5
Funding Sources:			
1002 Federal Receipts	2,518.7	3,178.0	3,504.3
1007 Inter-Agency Receipts	35.9	80.6	89.5
1052 Oil/Hazardous Response Fund	3,172.1	3,182.3	3,553.7
Funding Totals	5,726.7	6,440.9	7,147.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	2,518.7	3,178.0	3,504.3
Interagency Receipts	51015	35.9	80.6	89.5
Restricted Total		2,554.6	3,258.6	3,593.8
Total Estimated Revenues		2,554.6	3,258.6	3,593.8

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	3,178.0	3,262.9	6,440.9
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	0.0	326.3	380.3	706.6
FY2008 Governor	0.0	3,504.3	3,643.2	7,147.5

Contaminated Sites Program Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	65	65	Annual Salaries	3,636,988
Part-time	0	0	Premium Pay	13,544
Nonpermanent	0	0	Annual Benefits	2,600,422
			<i>Less 6.99% Vacancy Factor</i>	<i>(437,254)</i>
			Lump Sum Premium Pay	0
Totals	65	65	Total Personal Services	5,813,700

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Administrative Clerk II	2	0	1	0	3
Administrative Clerk III	1	2	1	1	5
Analyst/Programmer II	0	0	2	0	2
Analyst/Programmer IV	1	0	1	0	2
Env Eng Associate	1	1	0	0	2
Environ Engineer I	0	0	0	1	1
Environ Program Manager I	3	1	1	0	5
Environ Program Manager II	1	1	1	0	3
Environ Program Manager III	0	1	0	0	1
Environ Program Spec I	0	1	0	0	1
Environ Program Spec II	0	0	1	0	1
Environ Program Spec III	12	8	4	2	26
Environ Program Spec IV	5	2	1	0	8
Environ Program Technician	0	1	0	0	1
Prog Coordinator	0	0	1	0	1
Project Coord	0	0	1	0	1
Totals	28	18	15	4	65